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State of North Carolina
Utilities Commission

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Post Office Box 29510
Raleigh, N. C. 27626-0510

September 10, 1996

COMMISSIONERS
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JO ANNE SANFORD

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C.

Re: DA 96-1190
CC Docket No. 96-159
BellSouth Telecommunications, Inc. Petition,
NSD-L-96-7, for Waiver of LATA Boundaries

Dear Mr. Secretary:

Enclosed are an original and two copies of the joint reply comments of the North Carolina Utilities Commission and the Public Staff - North Carolina Utilities Commission in response to the Public Notice released on July 26, 1996, in the above-referenced docket. We respectfully request that these comments, which are due on this date, be accepted as though filed in view of the extenuating circumstances caused by the recent hurricane.

Sincerely,

*Judge Hugh A. Wells, Chairman
(by Allyson K. Duncan, Commissioner)*

Judge Hugh A. Wells, Chairman
North Carolina Utilities Commission

Robert P. Gruber

Robert P. Gruber, Executive Director
Public Staff - North Carolina
Utilities Commission

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D. C. 20554**

In the Matter of
BellSouth Telecommunications, Inc.)
Petition, NSD-L-96-7, for Waiver)
of LATA Boundaries)

DA 96-1190
CC Docket No. 96-159

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**JOINT REPLY COMMENTS
OF THE
NORTH CAROLINA UTILITIES COMMISSION
AND THE
PUBLIC STAFF - NORTH CAROLINA UTILITIES COMMISSION**

The North Carolina Utilities Commission and the Public Staff - North Carolina Utilities Commission (NCUC and Public Staff) submit their reply comments in response to the Federal Communications Commission's (FCC's) Public Notice released on July 26, 1996, in the above-captioned docket, concerning the petition of BellSouth Telecommunications, Inc., (BellSouth) for a waiver of LATA boundaries in order to provide two-way, nonoptional extended area service (EAS) between certain exchanges in North Carolina. Of the comments submitted, only those of AT&T Corporation (AT&T) do not wholeheartedly support BellSouth's petition, and only those of AT&T will be addressed.

AT&T argues that the FCC should deny the petition on the grounds (1) that the FCC lacks the authority to grant the petition and (2) that the FCC should use whatever authority it has to grant this and other similar petitions sparingly, if at all, inasmuch as permitting the requested EAS will impede the development of competition by displacing the interexchange carriers currently competing to serve those routes and reducing BellSouth's incentive to open up its local exchanges.

First, as stated in our earlier comments, the NCUC and Public Staff believe the FCC's authority to grant BellSouth's petition lies in Section 3(a)(2)(43) of the Telecommunications Act of 1996. Second, we believe the fear that competition will suffer from the granting of the petition is grossly overstated. The NCUC approved the requested EAS after demonstrations of public interest by the affected subscribers. BellSouth did not initiate any of these requests, nor did AT&T oppose them. Only at this late stage has AT&T, alone among the many long distance carriers providing interLATA service over the routes involved in the EAS, has voiced opposition. Yet AT&T itself will have the opportunity to compete over these routes even if the EAS is implemented, since, by order issued July 16, 1996, in Docket No. P-140, Sub 48, the NCUC granted AT&T authority to provide competitive local service.

Therefore, the NCUC and the Public Staff urge the FCC to find AT&T's comments

without merit and to grant BellSouth's petition to provide the proposed EAS based on the substantial public support for the service.

Respectfully submitted,

H. A. Wells (by J. Sanford)

Judge Hugh A. Wells, Chairman
North Carolina Utilities Commission
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Robert P. Gruber

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September 10, 1996